

1 CHAIRPERSON JAMES: With that, Mr. Costas, before  
2 you begin, I understand that you went to great lengths to  
3 rearrange your schedule to be with us today and I'd like to  
4 thank you for your interest and your commitment to this issue  
5 and to the public policy process. Thank you for being here.

6 MR. COSTAS: Thank you, Madam Chair. This will come  
7 as a surprise to some in the room but I will be very brief. I  
8 do not bring to this the academic background and the degree of  
9 scholarship on this particular issue that some of the other  
10 people you'll hear from today do, but Doctor Kelly and some  
11 other members of the Commission thought that my perspective  
12 might be worthwhile, perhaps especially in the open discussion  
13 which will follow, so I will not take up nearly the 12 minutes  
14 allotted and I'll pass on a good deal of that time.

15 On a personal note, and this accounts for some of my  
16 interest in this issue, my father was a compulsive gambler, a  
17 capable, intelligent, colorful, generous man, whose life and in  
18 turn his family's life was at times turned inside out by his  
19 addiction to gambling. It was seldom horse racing or casino  
20 gambling which would be legal, it was almost always gambling on  
21 baseball, football, basketball, and hockey games. I guess it's  
22 ironic that my own interest and knowledge of sports came about  
23 largely from following the games on which he had hundreds and  
24 thousands of dollars wagered.

25 We were a lower middle income family that eventually  
26 became a middle income family, I guess by the mid-1960's but in

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1 the '50's and early '60's my dad had much more than the rent  
2 money, much more, wagered on five, six, seven games a weekend.  
3 I think I learned a lot about sports by osmosis from following  
4 those games. There was no ESPN, there was no ESPN/CNN direct  
5 satellite, nothing. So often there would be two televisions  
6 going at once with flickering black and white signals. He'd  
7 send me out to the car sometimes at night because radio  
8 reception was better in the car and I'd be fiddling with the  
9 dial. We lived on Long Island in New York trying to pick up the  
10 games that came in over 50,000 watt stations from remote  
11 outposts; Cincinnati, St. Louis, Pittsburgh, trying to decipher  
12 hockey broadcasts in French, Canadians, *duex*, Mapleleaves, *une*,  
13 which one did my father have?

14               If he had the *duex*, I'd run inside and tell him. If  
15 he had the *une*, I'd tell him I couldn't pick it up because I  
16 didn't want to make him angry. So my personal knowledge of what  
17 this can do to a person's life, what it can do to a family, is  
18 something that accounts for my presence, at least in part, today  
19 as does my knowledge of Art Schlichter's situation. A  
20 compelling story which is part of the record here today and I  
21 would encourage any of the panelists or any member of the  
22 general public with an interest in this issue to refer  
23 themselves to the two NBC broadcasts; one in early 1996 and the  
24 other in 1998 in which NBC followed Schlichter's story. An all  
25 American quarterback at Ohio State, first round pro football  
26 draft choice of the then Baltimore Colts, and uncommonly

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1 well-spoken and charming and intelligent young man who, to this  
2 day, retains exceptional capabilities, I think, and whose life  
3 has been completely devastated by his addiction to gambling.

4           There are more sophisticated programs in place now  
5 to treat problem gamblers who are directly involved as athletes  
6 and participants in sports than there were in the 1980's when  
7 Art's addiction was full-blown but still I don't believe that  
8 they are comparable to the programs readily available for those  
9 involved with drugs or alcohol as an example.

10           If Art Schlichter's problem had been drugs or  
11 alcohol he might have been able to get early intervention, he  
12 might have been able to deal with his problem more quickly and  
13 effectively than was the case. Instead, his family has been  
14 adversely effected. That puts it mildly. You'll hear from  
15 Mitzi Schlichter later and this young man sits to this day in  
16 prison hoping, hoping to soon be released and to be able to make  
17 something of his life. Hoping to get back on the medication  
18 which is not available to him in prison but which was effective  
19 for a period of time before he went back into prison. Turned  
20 into a criminal by his addiction to gambling and his attempt to  
21 obtain funds to either pay off debts or to be able to wager  
22 again.

23           I think that Art Schlichter's story, we're not  
24 talking here about a guy who would be referred to as a low life  
25 or someone from the seamier side of society, that someone with  
26 Art Schlichter's position and wherewithal that his situation

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1 would evolved into what it evolved into is compelling,  
2 compelling testimony that people ought to pay close attention  
3 to. As the previous speaker indicated, the increased prevalence  
4 of gambling is a growing concern. I'm not an advocate for one  
5 position or another but it's obvious that one of the outgrowths  
6 of gambling is the devastation that it can reek upon at least  
7 some individuals and their families. Now with the Internet and  
8 with reports indicating that there's a significant increase in  
9 gambling on college campuses and with collegiate athletes,  
10 perhaps more susceptible to the possibility of being involved in  
11 point shaving schemes than their professional counterparts who  
12 already make large amounts of money and might therefore, not be  
13 willing to take the risk, as opposed to a collegiate player who  
14 in many cases doesn't have two nickels to rub together, that's  
15 got to be a significant concern.

16           The area in which I work, television coverage of  
17 sports, has at least at the network level, in the last decade or  
18 so, de-emphasized its coverage or its references to gambling and  
19 point spreads. In the '70's and '80's the pro football pre-game  
20 shows had people on the program Jimmy "the Greek" Snyder, Pete  
21 Axtell, whose job it was to make predictions relative to the  
22 point spread and those point spreads were highlighted and it  
23 might be argued that that encouraged people's interest in  
24 gambling, an interest which was already there.

25           Even though that has now disappeared from the  
26 television scene and even though all professional sports leagues

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1 actively discourage their participants from any involvement in  
2 gambling and take public positions against illegal sports  
3 gambling, positions which I'm sure are sincere, there is also no  
4 denying that the presence and prevalence of sports gambling  
5 benefits those leagues and benefits their television ratings. I  
6 think this is especially true of pro football, through no fault  
7 of football's but it's just the nature of the game. The games  
8 are played once a week rather than every day like baseball or  
9 several times a week like basketball or hockey.

10           The point spreads are posted all week long. That  
11 increases interest. Everyone thinks their an expert and then  
12 you get into a situation which, I think is often overlooked.  
13 Pro football is the television ratings king for reasons that  
14 largely have nothing to do with gambling, but gambling  
15 contributes in this respect. If a football game is on  
16 television, and the score of that game is 31 to 10, with four  
17 minutes to go, if you're only interested in the outcome of the  
18 game, there ought to be a large tune- out factor the way there  
19 would be if a baseball game were six to one or a hockey game  
20 were four to nothing, or a basketball game were 100 to 83. But  
21 if the team leading 31 to 10 is a ten and a half point favorite,  
22 that game is in doubt for a gambler until the final possession.

23           And I think if you chart the ratings of football  
24 games on television, there would be less of a decline in an  
25 apparent rout as the game reaches its conclusion than there  
26 would be in other sports because as long as the point spread is

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1 in doubt, then for a large portion of the audience, so too is  
2 the outcome that they really care about. So it would be  
3 disingenuous for those who represent sports leagues to contend  
4 that they do not benefit and in some cases benefit significantly  
5 from the nation's interest in gambling.

6 CHAIRPERSON JAMES: Thank you, Mr. Costas.

7 MR. COSTAS: Thank you.

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